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James H. Jeffries IV

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December 21, 2004

VIA FEDERAL EXPRESS

The Honorable Pat Miller

Chairman

Tennessee Regulatory Authority

460 James Robertson Parkway

Nashville, Tennessee 37243-0505

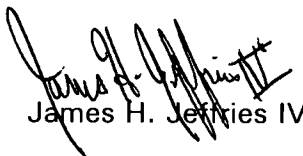
Re: Nashville Gas Company, a Division of Piedmont Natural Gas Company, Inc. --
Docket No. 04-00174

Dear Chairman Miller:

I have enclosed an original and 14 copies of Nashville Gas Company's response to the TRA Staff's Second Data Requests in the above-captioned docket. Please accept the original and 13 copies for filing and return one "filed-stamped" copy to me in the enclosed envelope.

Thank you for your assistance with this matter. If you have any questions regarding these responses you may reach me at the number shown above.

Sincerely,


James H. Jeffries IV

JHJ/srl

c: Mr. Lewis De Board
Mr. Dale Grimes
Mr. David Carpenter

Nashville Gas Company
Docket No. 04-00174
Petition of Nashville Gas Company for Approval of Extension
of Negotiated Gas Redelivery Agreement with Visteon Corporation
TRA Staff Data Request No. 2

1. Provide Nashville Gas Company's projected revenues, with the associated costs, identified by year, for the three year life of the proposed gas redelivery agreement.

Response:

Last year of agreement:	April 1, 2007 through April 1, 2008
Projected revenue:	\$528,000 per year

Prior year of agreement:	April 1, 2006 through April 1, 2007
Projected revenue:	\$528,000 per year

Prior year of agreement:	April 1, 2005 through April 1, 2006
Projected revenue:	\$528,000 per year

No costs are directly associated with service solely to Visteon

Nashville Gas Company

Docket No 04-00174

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2. Provide information, with explanations, relating to any stranded investments that would result if the proposed gas redelivery agreement were not approved.

Response:

See schedule attached.

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Piedmont Natural Gas Company, Inc
Visteon Corporation Plant (formerly Ford Glass)

M&R Station (account 37800) - acq date 9/89	26,826 28
Depreciation Rate	2 35%
Accumulated Depreciation as of December 2004	9,613 87
Net Plant as of December 2004	17,212 41

Per discussion with Jim Thweatt, Nashville Operations, the service for Visteon (formerly Ford Glass) was installed in the early 1950's. There are several hundred feet of 6" service that was installed in the early 1950's. The M&R station installed in 1989 was a replacement of the original M&R station to change it to a turbine meter.

Nashville Gas Company
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3. Provide a detailed explanation of the circumstances that would result in a margin loss or margin gain as it pertains to the contract service agreement with Visteon.

Response:

As pertaining to the Visteon contract, a margin loss or gain would result only if a rate was negotiated that was different from the contract rate utilized in calculating revenues in Nashville Gas Company's rate case. This, of course, assumes that Visteon remains a customer of Nashville Gas.

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4. Provide the amount of margin loss allocated to ratepayers during the preceding contract period with Visteon. How much was absorbed by Nashville Gas Company, and what was the amount passed through to the customer base? What was the charge(s) to an individual customer?

Response:

For the period Sept. 2001 through Oct. 2003, \$3,600 in margin losses were charged to the ACA Account each month, or 90% of the total \$4,000 monthly margin loss. This amount represented the difference between the rates approved in the renegotiated Visteon contract effective Sept. 2001 and the Visteon rates utilized in the revenue calculation in Nashville Gas Company's rate case in Docket No. 99-00994. The total amount debited to the deferred account was \$93,600. Nashville Gas absorbed \$10,400 of the total margin loss of \$104,000 (\$4,000 X 26 mos.) Effective with the rates approved in Nashville Gas Company's next rate case, Docket No. 03-00313, no additional margin losses were recorded as the rates used in calculating Visteon's revenues were the contract rates approved in Docket No. 01-00530.